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PREDICTS HONG KONG-NORTHEAST TRADE EXPANSION;
SHANGHAI STUDENTS OPPOSE GRAIN SHIPMENTS

HONG KONG-NORTHEAST TRADE GROWS -- Hong Kong Hsing-tao Jih-pao, 21 Mar 50

On 20 March 1950, the following comments were made by an unidentified official of a Hong Kong trading firm:

The only trade channel between Hong Kong and China which is at all active is the Hong Kong - Northeast one. Since Ying-k'ou port will soon open, it looks as though more rapid progress will be made. As the economic situation in the Northeast is extremely good, trade officials there are already planning to place large purchase orders for Hong Kong goods valued at roughly one million US dollars.

Even when the various Northeast ports were frozen, sporadic trade with Hong Kong continued through Dairen. Vessels of private concerns, many of them cargo ships, under contract, plied the Hong Kong - Northeast China route. Many Soviet steamers also sailed between Hong Kong and Dairen.

Although trade between Hong Kong and the Northeast is handled according to contract, it still falls under certain trade regulations, since all items bought or sold in the Northeast must be approved by the Northeast authorities. Metal goods and machinery lead in Hong Kong's exports to the Northeast, followed by large quantities of rubber, paper, and industrial raw materials. Imports include relatively large lots of soybeans, bean cake, ~~fers~~, bean oil, hog bristles, etc.

In an effort to keep international prices under control, the Northeast authorities have instituted a policy of maximum and minimum price limitations on native-product exports. For example, the maximum price of exported soybeans is 125 US dollars per ton and bean cake is priced at more than 80 US dollars per ton.

Ying-k'ou and other harbors, now frozen, will be ice free toward the end of March 1950. A number of Hong Kong steamers will soon be weighing anchor and sailing north. It is further believed that, with the war-risk insurance rates dropping (the present rate is 5 percent), trade between Hong Kong and the Northeast will develop rapidly.

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SHANGHAI RIOTS OVER GRAIN SHIPMENTS TO USSR -- Hong Kong Hu-sheng Pao, 20 Mar 50

Ting-ha -- The CCP authorities of Shanghai are reported to have secretly collected 60,000 large bags of rice at a warehouse near the railroad station in preparation for shipment to the Soviet Union.

When this became known to the students of the city, they proceeded to post placards in opposition to the plan. The military fired into the crowds that gathered, wounding and killing about 20 persons and arresting eight.

BRISTLES MARKET QUICKENS -- Hong Kong Hsing-tao Jih-pao, 19 Mar 50

According to reports, the prospects for bristles exporters are brightening as a result of orders from Western Europe. The prices offered have not been very high but the demand is evident. American stockpiles are also low. The mainland authorities have been seeking to aid the production of bristles and have been boosting the prices the state corporations are offering producers as an encouragement.

They believe that since China is the largest world producer of bristles, foreign traders will not be able to resist the higher prices. They have little fear of nylon competition in America and western Europe. Under the state monopoly now in force, the bulk of Chinese bristles are sold to the USSR and her satellites, thus reducing the supply available to other countries.

HONG KONG-MAINLAND TRADE INCREASES -- Hong Kong Hsing-tao, Jih-pao, 20 Mar 50

Important export items from the mainland of China have come into Hong Kong in considerable amounts during the past week. Tung oil heads the list with tea, goose feathers, bristles, and vegetable oils following. The reasons given for the accelerated rate of flow include: through rail traffic from Shanghai to Hong Kong; large stockpiles of these goods in the interior; and the need of increased supplies of foreign exchange to pay for imports. Another reason is that except for bristles, large quantities of which go to the Soviet Union, Hong Kong is the chief outlet for interior products.

JAPANESE CLOTH HURTS HONG KONG AFRICAN MARKET -- Hong Kong Hsing-tao Jih-pao, 19 Mar 50

Indications are that Japanese cloth, which is as good as and in some cases superior to European cloth, is finding a ready market in Africa at prices one fourth that of British cloth and one half that of Hong Kong cloth. Hong Kong manufacturers are concerned about the future of their market there.

TAIWAN PLACES EMBARGO ON MANY EXPORT ITEMS -- Hong Kong Kung-shang Jih-pao, 20 Mar 50

The Provincial government of Taiwan has announced a temporary embargo on several hundred items of import goods to prevent smuggling. The general classes of items included are cotton textiles, metal goods, foodstuffs, materia medica, raw materials, and paper.

In an endeavor to discover goods which are already in the country and on which duty has not been paid, the government has ordered all wholesalers to register all stocks on hand.

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